

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

UNITED STATES OF AMERICA

Plaintiff,

v.

JOHN HOWARD ALEXANDER, a/k/a
HOWARD IRA SMALL, INDIVIDUALLY
and AS TRUSTEE OF THE ALEXANDER
FAMILY TRUST

Defendant.

Civil No. 6:08-cv-03760-GRA

DECLARATION OF JAMES C. STRONG

1. I am a trial attorney with the Tax Division at the Department of Justice, representing the United States in this action. I was admitted *pro hac vice* to this Court on November 21, 2008. (Doc. # 6).

2. Attached to this Declaration is a true and correct copy of the deposition transcript of John Howard Alexander, taken on July 27, 2009.

3. Attached to this Declaration is a true and correct copy of the deposition transcript of Heather Ferguson, taken on July 27, 2009.

4. Attached to this Declaration as Exhibit 2 is a true and correct copy of a document entitled Mortgage of Real Estate, filed on October 16, 2003 in Greenville County, South Carolina.

5. Attached to this Declaration as Exhibit 3 is a true and correct copy of a document entitled Mortgage of Real Estate, filed on July 27, 2006 in Greenville County, South Carolina.

6. Attached to this Declaration as Exhibit 4 is a true and correct copy of a document entitled Title to Real Estate, filed on October 16, 2003 in Greenville County, South Carolina.

7. Attached to this Declaration as Exhibit 5 is a true and correct copy of a document entitled "Your Privacy and Asset Accumulation Guide – by FTG Version 10/00." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 15.

8. Attached to this Declaration as Exhibit 6 is a true and correct copy of a separate document entitled "Your Privacy and Asset Accumulation Guide – by FTG Version 10/00." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 16.

9. Attached to this Declaration as Exhibit 7 is a true and correct copy of a document entitled "Family Trust." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 17.

10. Attached to this Declaration as Exhibit 8 is a true and correct copy of a document entitled "Management Trust." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 18.

11. Attached to this Declaration as Exhibit 9 is a true and correct copy of a document entitled "Banking Trusts." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 20.

12. Attached to this Declaration as Exhibit 10 is a true and correct copy of a document entitled "Holding Trusts." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 19.

13. Attached to this Declaration as Exhibit 11 is a true and correct copy of a document that is a Table of Contents for "Aware Management Administrative Trusts." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 22.

14. Attached to this Declaration as Exhibit 12 is a true and correct copy of a newsletter entitled "Aware American" and dated September 1996. The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 23.

15. Attached to this Declaration as Exhibit 13 is a true and correct copy of a document entitled "The Aware Group's Referral Program." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 8.

16. Attached to this Declaration as Exhibit 14 is a true and correct copy of a document entitled "Getting Started." The document was attached to the deposition of John Howard Alexander as Plaintiff's Deposition Exhibit 13.

17. Attached to this Declaration as Exhibits A-F are true and correct copies of IRS Forms 4340, Certificate of Assessments reflecting the assessments made against John Howard Alexander for unpaid income taxes for Tax Years 1990-1995.

18. Attached to this Declaration as Exhibits G-K are true and correct copies of IRS Forms 4340, Certificate of Assessments reflecting the assessments made against John Howard Alexander for civil penalties under 26 U.S.C. § 6700 for Tax Years 2000-2004.

19. Attached to this Declaration as Exhibit L is a true and correct copy of a Notice of Deficiency issued to John Howard Alexander on May 20, 1998.

20. Attached to this Declaration as Exhibit M is a true and correct copy of a Notice of Federal Tax Lien filed in Greenville County, South Carolina on February 17, 2005.

21. Attached to this Declaration as Exhibit N is a true and correct copy of an Amended Notice of Federal Tax Lien filed in Greenville County, South Carolina on June 4, 2008.

22. Attached to this Declaration as Exhibit O is a true and correct copy of a Notice of Federal Tax Lien filed in Greenville County, South Carolina on October 1, 2007.

23. Attached to this Declaration as Exhibit P is a true and correct copy of a Notice of Federal Tax Lien filed in Greenville County, South Carolina on October 22, 2007.

24. Attached to this Declaration as Exhibit Q is a true and correct copy of a Notice of Federal Tax Lien filed in Greenville County, South Carolina on May 20, 2008.

25. Attached to this Declaration is a true and correct copy of the Court's unpublished opinion in *Noske v. United States*, 1993 WL 78311 (D. Minn. Jan. 14, 1993).

26. Attached to this Declaration is a true and correct copy of the Court's unpublished opinion in *United States v. Kahn*, 2004 WL 1089116 (M.D. Fla. Mar. 30, 2004).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: September 25, 2009.


JAMES C. STRONG

THE AFV STAMP

YOU MAY PRODUCE your own "Accepted For Value" stamp in many ways – the text may even be hand-written across a document. An example of the stamp is displayed below, and it has been included in this manual to give the reader a visual guide of the shape and design rather than giving only the text. The stamp (*or hand-written text*) is of paramount importance to the Accepted For Value process. We suggest you obtain your own stamp and/or learn the text as soon as possible.

To obtain your own stamp (*using the sample below*) you may:

- 1) Construct the "stamp" on a computer (*do NOT place a "box" around it*); OR,
- 2) Take the sample to a photo copy shop and have it copied onto a sheet of clear plastic – also called a transparency. If you choose to use this method, you will have to "white out" the numbers on the sample (*referred to in the NOTE below*), and replace them with your numbers (*again, NO box*); OR,
- 3) Take the sample to a professional and have a stamp made (*without a box*) — most copy shops offer this service.

NOTE:

There are three places on the stamp with the number 123456789.

This is the place where you will put your social security #, without the hyphens.

In place of the number 987654321 you will put the number from your Registered mailing to the Secretary of Treasury, Lawrence H. Summers.

CHARGE BACK

Non-Negotiable

I ACCEPT FOR VALUE all related endorsements (front and back) in accord with HJR-192 and UCC 3-419. Charge Treasury Direct Account #123456789 for the registration fees and command the memory of account #123456789 to charge the same to the debtor's Order or your Order.

**NOTICE: THIS PROPERTY IS
EXEMPT FROM LEVY
Posted Registered Account
#R987654321**

Date _____

Invoice # _____ Value _____

Signature _____

Employer Identification #123456789

USING THE AFV STAMP

THE ACCEPTED FOR VALUE STAMP may be used in a number of ways, depending upon the particular "type" or "form" of stamp used: computer generated, transparency, or a physical stamp. You will place the "stamp imprint" will be placed on the document (*presentment*) which you received and are going to return (*return to the person who sent it*).

NOTE: Always place the "Accepted For Value" stamp on a *COPY* of the document (*in a location where the document can still be read*) and **ALWAYS** keep the original document (*unstamped*) in your files, along with a copy of the stamped version.

You may use (*but are not limited to*) one of the following.

- A. Create a stamp on your computer and save it. Whenever you want to "stamp" a document you can then place a copy of the document in the computer's printer and print the "stamp" directly onto the document. If a color printer is being used the "stamp" may be printed in red – so it will stand out. Care should be taken regarding the location of the "stamp" and it should be moved to a position on the screen so the document can still be read. You should print out a test page and check the location of the "stamp" against the document itself.
- B. If you use a transparency "stamp" simply place it over the original document (*again, take care regarding the position*) and make at least two copies (*one is for your files*). You will still have the original (*unstamped*) document. You might want to trim the transparency so the "stamp" may be easily positioned when making your copies.
- C. Using a physical stamp really needs no explanation, other than a reminder to place the stamp in a location where the document can still be read.

Now you need to attach a Notice of Acceptance to the document you have just stamped Accepted For Value. Please turn the page.

NOTICE OF ACCEPTANCE

ONCE THE PRESENTMENT you received has been properly "stamped" Accepted For Value, a Notice of Acceptance must then be properly completed, attached to the item being returned, and sent Certified mail, Return Receipt Requested (*you want the green card signed and returned to you*).

This notice gives very specific instructions to the person who sent the document (*presentment*) to you. These instructions are necessary, in order that the person understands what they are required to do, and what will happen if they choose to not comply.

A sample of the Notice of Acceptance can be found on the page following these instructions. A Blank document may be found in the back of this manual, in the section titled Forms and Documents.

Completing the Notice of Acceptance is relatively simple. Insert in space:

- 1 The date. Without abbreviation, write out the name of the month. Example: June; October; etc.. Write the number of the day, followed by a comma and then the full year. Example: August 1, 1999.
- 2 The name and the title/position of the person who signed the document you received, or the head of the department sending it if no name is present. You may need to contact the department to ascertain the information. Fill it in as it appears on the document or based upon the information you receive from the department.
- 3 The street address of the person in #1 above, written in exactly the same way as it is on the original document you received.
- 4 The city, state and zip code of the person in #1 above, written in exactly the same way as it is on the original document you received.
- 5 The title (*or description if no title is available*) of the document sent to you – which you are accepting for value. Example: DOE COUNTY TAX ASSESSMENT; "STATE" UNIFORM TRAFFIC CITATION AND COMPLAINT; etc. Following that, in parentheses, state: (See attached Acceptance). Note: You will attach (*staple*) a copy of the original document you received, which you have now stamped with the Accepted for Value 'stamp.'
- 6 The same as #2 above.
- 7 The date on the document/presentment you received. If no date is present, use the postmark. If no postmark is available use the date you actually received the original

document. If none of the above is available, contact the agency which sent the original document and request they disclose the date the document was created or sent to you.

- 8 The name of the state you are in.
- 9 Sign your name, including any separating punctuation described in #10 below.
- 10 Your name. This is your name, so be sure to use upper and lower case letters. We also suggest the use of some sort of separation between names, to provide a greater distinction between your name and the representation of the STRAW MAN. Example: Instead of John Quincy Public you might use John-Quincy: Public — which, by the way, is the correct way to write out a compound noun (*names are compound nouns*).
- 11 Your street location. Note: Use c/o before the street number or Post Office Box number (*spell out Post Officer Box*). To create a distinction between your mailing location (*outside the federal zone*) and the Straw Man's address (*inside the federal zone*), we suggest using an "international" format (*since the United States is foreign to the 50 separate states*). See example following #13 below
- 12 [Zip] and then your city (*spell out the city, no abbreviations*).
- 13 The STATE (*in CAPS and also no abbreviations*). See example below.

Example: c/o 123 Cherry Street
[54321] Your City
STATE

Note: Use c/o before the street or Post Office Box
Note: International format places the zip before the city
Note: International format places the country (*state*) on
the 4th line, in all CAPS

NOTE: Make a copy of the Notice of Acceptance (*after you have signed it*) for your files.

Non-negotiable Notice of Acceptance

1 (date)

2 Their Name, Title/Position

3 Their Street Address

4 Their City, State and Zip

RE: 5 Whatever document you Accepted For Value

NOTICE is hereby given to 6 (same as #2), who is making a public offering in the Notice dated 7 (date on the document you received). Your Fiduciary Tax Estimate and your Fiduciary Tax Return are required for doing business in the local community in the operation of a commercial vehicle of my ownership.

The numbers mentioned above must be registered with the State of 8 (name of state) for proving financial liability. Please provide me with these ID numbers by return mail.

The use of my name is the commercial vehicle (STRAW MAN) you are offering to obtain exempt priority status. Also, by using my name for registered tax exemptions you are making a private claim, thereby making those ID numbers a requirement for my indemnity from any harm.

You have three (3) days from the date of the receipt of this NOTICE to respond to me with the above identified numbers. This is in accord with the Truth-in-Lending requirement (Public Policy).

Dishonor will be the result of your failure to respond.

Awaiting your timely response I remain,

Yours truly,

9 Your signature

10 Your print name

11 Your street

12 [Zip] City

13 STATE

encl.

cc: file

**Non-negotiable
Notice of Acceptance**

TODAY'S DATE

**THE PERSON WHO SENT YOU THE NOTICE
THEIR ADDRESS
THEIR ADDRESS CONTINUED**

RE: Notice of Deficiency (See attached Acceptance).

NOTICE is hereby given to **PERSON AND THEIR ADDRESS WHO SENT THE NOTICE** who is making a public offering in the notice dated **DATE OF NOTICE**. Your Fiduciary Tax Estimate and your Fiduciary Tax Return are required for doing business in the local community in the operation of a commercial vehicle of my ownership.

The numbers mentioned above must be registered with the State of **YOUR STATE, SPELLED OUT** for proving financial liability. Please provide me with these ID numbers by return mail.

The use of my name is the commercial vehicle (STRAW MAN) you are offering to obtain exempt priority status. Also, by using my name for registered tax exemptions you are making a private claim, thereby making those ID numbers a requirement for my indemnity from any harm.

You have three (3) days from the date of the receipt of this **NOTICE** to respond to me with the above-identified numbers. This is in accord with the Truth-in-Lending requirement (Public Policy).

Dishonor will be the result of your failure to respond.

Awaiting your timely response I remain,

Yours truly,

**YOUR FULL NAME AND
NON-FEDERAL ADDRESS**

encl.

cc: file

**Non-negotiable
Notice of Acceptance**

RE: Notice of Deficiency (See attached Acceptance).

NOTICE is hereby given to _____, who is making a public offering in the notice dated _____. Your Fiduciary Tax Estimate and your Fiduciary Tax Return are required for doing business in the local community in the operation of a commercial vehicle of my ownership.

The numbers mentioned above must be registered with the State of _____, for proving financial liability. Please provide me with these ID numbers by return mail.

The use of my name is the commercial vehicle (STRAW MAN) you are offering to obtain exempt priority status. Also, by using my name for registered tax exemptions you are making a private claim, thereby making those ID numbers a requirement for my indemnity from any harm.

You have three (3) days from the date of the receipt of this NOTICE to respond to me with the above-identified numbers. This is in accord with the Truth-in-Lending requirement (Public Policy).

Dishonor will be the result of your failure to respond.

Awaiting your timely response I remain,

Yours truly,

encl.

cc: file

SECOND NOTICE

Three Days after you get the green card back from the first Notice of Acceptance, you will send your Second Notice .

This Notice of. Acceptance, Second Notice, is identical to the first Notice of Acceptance. The only difference is it is a *second* Notice. You will also add the reference to the first Notice, and the date it was mailed, in space #5.

This Notice of Acceptance, Second Notice will also be mailed Certified, Return Receipt Requested (*again, you want the green card signed and returned.*

NOTE: Make a copy of this Notice of Acceptance, Second Notice, for your files (*after you have signed it*).

SECOND NOTICE
Non-negotiable
Notice of Acceptance

RE: Notice of Acceptance Dated: _____

NOTICE is hereby given to _____, who is making a public offering in the notice dated _____. Your Fiduciary Tax Estimate and your Fiduciary Tax Return are required for doing business in the local community in the operation of a commercial vehicle of my ownership.

The numbers mentioned above must be registered with the State of _____, for proving financial liability. Please provide me with these ID numbers by return mail.

The use of my name is the commercial vehicle (STRAW MAN) you are offering to obtain exempt priority status. Also, by using my name for registered tax exemptions you are making a private claim, thereby making those ID numbers a requirement for my indemnity from any harm.

You have three (3) days from the date of the receipt of this NOTICE to respond to me with the above-identified numbers. This is in accord with the Truth-in-Lending requirement (Public Policy).

Dishonor will be the result of your failure to respond.

Awaiting your timely response I remain,

Yours truly,

encl.

cc: file

NOTICE OF TRANSFER BILL OF EXCHANGE

ONCE THE PRESENTMENT you received has been properly "stamped" Accepted For Value and with a Notice of Acceptance attached, has been returned to the person who sent it to you - and a Second Notice has also been sent - and you have not received a response to any of them (*the proper adjustment has not been made*), it is time to send a Notice of Transfer and a Bill of Exchange and a release of funds through the UCC-3.

There are groups that utilize various IRS forms for this process. We however, do not. If you wish to do this, it is up to you and your responsibility. We do not believe in using any IRS forms for any part of this process. Please also note that the AFV process is applicable only to commercial presentments and is not a way to get money for nothing and it is not a way to pay off mortgages and credit card bills.

NOTE: This is NOT the same Bill of Exchange you sent to the Secretary of the Treasury!

The Notice of Transfer is exactly what it states. It is a Notice, directing party B to transfer the "value" of something. It states that, based upon the dishonor (*non-return*) of the Bill of Exchange, party B's bond will be transferred and will be registered as such.

The Bill of Exchange is a written order from party A (*the drawer*) to party B (*the drawee*), in which party B is directed by party A to transfer the value stated within the bill to party C (*the holder*). A Bill of Exchange differs from a check in that a check is always drawn on a deposit, whereas a Bill of Exchange is not. It is, however, still a commercial transaction.

Completing the Notice of Transfer is relatively simple. Insert in space:

- 1 The date. Without abbreviation, write out the name of the month. Example: June; October; etc.. Write the number of the day, followed by a comma and then the full year. Example: August 1, 1999.
- 2 The invoice number. The number representing the original presentment (*document*) you received. Example: A traffic ticket has a "ticket number," a property tax statement has an "account number" or "tax lot" description. Use one of these numbers as the invoice number. The invoice number is used to identify the original document.

- 3 The Account number. This is the number we have recognized as the "social security number." Write this number with NO hyphens or other separation. This number represents the Direct Treasury Account (TDA).
- 4 The Posted Registered Account. This is the original Registered Mail Number you used to send your Non-negotiable Charge Back to the Secretary of the Treasury. Its transfer is registered upon books maintained for that purpose by the postal service, for a fee, on behalf of the issuer.
- 5
 - a) The name of the person who signed the document you received, or the head of the department sending it if no name is present. Fill it in as it appears on the document or based upon the information you receive from the department.
 - b) The street address of the person in a) above, written in exactly the same way as it is on the original document you received.
 - c) The city, state of the person in a) above, written in exactly the same way as it is on the original document you received.
 - d) The Zip Code corresponding to the City in c) above, written in exactly the same way as it is on the original document you received.
- 6 The value of the Bill. It is the amount demanded (*value*) in the original presentment.
- 7 Sign your name, including any separating punctuation. Example: Instead of signing John Quincy Public you might use John-Quincy: Public - which, by the way, is the correct way to write out a compound noun (*names are compound nouns*).
- 8 Enclosures. With the Notice of Transfer you will enclose the Bill of Exchange. Write "Bill of Exchange" after the word enclosure.
- 9 CC: This shows who copies are sent to. For the Notice of Transfer you will send a copy to the Secretary of the Treasury and the Secretary of State, UCC Division of the state in which the person in 5 a (above) lives. Also, keep one for your files.

Completing the **Bill of Exchange** is also relatively simple. Insert in space:

- 1 The invoice number. The number representing the original presentment (*document*) you received. Example: A traffic ticket has a "ticket number," a property tax statement has an "account number" or "tax lot" description. Use one of these numbers as the invoice number. The invoice number provides an identifying number to the Bill.
- 2 The date. Without abbreviation, write out the name of the month. Example: June; October, etc.. Write the number of the day, followed by a comma and then the full year. Example: August 1, 1999.

- 3 The Posted Registered Account number. This is the original Registered Mail Number you used to send your Non-negotiable Charge Back to the Secretary of the Treasury. Its transfer is registered upon books maintained for that purpose by the postal service, for a fee, on behalf of the issuer.
- 4 The Account number. This is the number we have recognized as the "social security number." Write this number with NQ hyphens or other separation. This number represents the Direct Treasury Account.
- 5
 - a) The name of the person who signed the document you received, or the head of the department sending it if no name is present. Fill it in as it appears on the document or based upon the information you receive from the department.
 - b) The street address of the person in a) above, written in exactly the same way as it is on the original document you received.
 - c) The city, state of the person in a) above, written in exactly the same way as it is on the original document you received.
 - d) The Zip Code corresponding to the City in c) above, written in exactly the same way as it is on the original document you received.
- 6 The value of the Bill. This is the amount (*value*) demanded in the original presentment.
- 7 Treasury Direct Account. This is represented by the number we have recognized as the "social security number." Write this number with NO hyphens or other separation, the same as in #4 above.
- 8 This is the same as #7 above.
- 9 Sign your name, including any separating punctuation. Example: Instead of signing John Quincy Public you might use John-Quincy: Public - which, by the way, is the correct way to write out a compound noun (*names are compound nouns*).
- 10 Enclosures. With the Bill of Exchange you will enclose the Notice of Transfer. Write "Notice of Transfer" after the word enclosure.
- 11 Copies to. This shows to whom you sent copies. For the Bill of Exchange you will send copies to: The Secretary of the Treasury and keep one for your files.

NOTE: These forms must be properly completed and sent together, Certified mail, with a Return Receipt Requested (*you want the green card signed and returned*). Also, always make copies, for your files, of everything you send.

UCC-3 PARTIAL RELEASE:

At the same time that you do the Bill of Exchange and the Transfer, you will send a UCC-3 to whatever state you are filed in, releasing the funds to the party making the presentment.

You will complete the UCC-3 the same as you have before. However, this UCC-3 will be marked as a "Partial Release" and in the collateral section you will type in, "SEE ATTACHED" and you will attached a separate sheet that states the following:

DESCRIPTION OF AMENDMENT:

_____ notice (who sent the notice, *example* "IRS") dated _____ (date of presentment) hereinafter "Notice" is accepted for value, exempt from levy, and herein registered in the commercial registry. All proceeds, products, accounts, and fixtures and the orders therefrom, re Notice, are the personal property of the DEBTOR, but wherein Secured Party holds all interest. Secured Party's interest includes, but is not limited to, BILL OF EXCHANGE No. _____ (the # you gave the BOE regarding the presentment) dated _____ (date of BOE) in the amount of \$ _____ (amount of presentment), which is herewith placed in the local chamber of commercial registration of the equal exchange. Said equal exchange is in accord with public policy House Joint Resolution 192 of June 5th, 1933 and Uniform Commercial Code §§ 1-104 and 10-104

DESCRIPTION OF PARTIAL RELEASE:

BILL OF EXCHANGE No. _____ (the # you gave the BOE regarding the presentment) dated _____ (date of BOE) in the amount of \$ _____ (amount of presentment). All proceeds, products, accounts, and fixtures and the orders therefrom are released to the DEBTOR. Accounting with regards to BILL OF EXCHANGE No. _____ (the # you gave the BOE regarding the presentment), and the release thereof, is as follows:

Registered on Account: \$ _____ (amount of presentment)

Released: \$ _____ (amount of presentment)

Balance on Account: \$ 0.00 (always \$0)

Adjustments of this filing is from House Joint Resolution 192 of June 5th, 1933 and Uniform Commercial Code §§ 1-104 and 10-104. The closing date of this release is _____ (90 days from today's date).

Send this completed UCC-3 into the State in which you are filed.

INVOICE NUMBER: _____

Non-negotiable
BILL OF EXCHANGE
(In accord with HJR-192)

POSTED REGISTERED ACCOUNT NUMBER: _____
ACCOUNT NUMBER: _____

RE: NOTICE OF ACCEPTANCE OF DISHONOR and NOTICE of CHARGEBACK in ACCORD WITH
UCC 3-419 and HJR-192 and REGISTERED ADJUSTMENT of ACCOUNT.

COLLATERAL and LOCATION:

_____, _____

VALUE OF BILL:

Thank you for your Refusal/Commercial Dishonor, which I accept for value (all related endorsements front and back to include those in accord with UCC-3-419) as evidence with this BILL OF EXCHANGE. I have directed the CHARGEBACK of this BILL OF EXCHANGE to my Treasury Direct Account number _____, in the amount listed above, and is part of the tax estimate for use by the Republic, and the account is charged for the fees necessary for securing and registration (for the priority exchange for the tax exemption to discharge the public liability in accord with HJR-192) of my personal (preferred stock/unalienable Rights). I have directed the command memory of account number _____ to charge the same to the debtor's order or the Secretary of the Treasury's Order. Retour Sans Frais.

Until Then, I am,

Enclosures

c - Secretary of the Treasury
File

**Non-negotiable
NOTICE OF TRANSFER**

POSTED REGISTERED ACCOUNT NUMBER: _____
ACCOUNT NUMBER: _____

**RE: NOTICE OF ACCEPTANCE OF DISHONOR and NOTICE of CHARGEBACK in ACCORD
WITH UCC 3-419 and HJR-192 and REGISTERED ADJUSTMENT of ACCOUNT.**

COLLATERAL and LOCATION:

_____, _____

VALUE OF Dishonor:

You are hereby given Notice that the United States Department of Commerce, Bureau of Census, has classified certain persons as United States citizens, and they have been placed as Collateral in Bond for the Security of the United States Department of the Treasury. Those persons are identified under the following categories: Those carrying a Social Security number, United States Passport, Permanent Resident Alien card or Diplomatic Immunity. These persons have been placed on the Rolls of the International Monetary Fund (IMF) in lieu of the National Debt.

Due to your *Dishonor* in this matter you have caused your Bond to be transferred by *Acceptance of Lien* against your name and it will be registered as such with the State authorities in your state.

enclosures _

cc: Secretary of the Treasury
Secretary of State UCC
file

Non-negotiable
Notice of Claim

RE: Notice of Claim and Request for Payment relating to _____.

Dear _____

This is my Claim and an attempt to recover my damages involving _____, which are the direct result of _____.

Your decisions, and the actions subsequent to them, have caused me [and my family] much harm and injury.

The full monetary amount of my Claim is \$ _____.

You have this one opportunity to make amends, by releasing and delivering to me _____.
If you respond in good faith and release said property to me I will not pursue the full monetary amount of my Claim. I will, instead, release you from any and all liability.

I am allowing you ten (10) days to make restitution to me. If, however, no response is forthcoming, I will have no choice but to pursue other remedy.

Yours truly,

Employer Identification # _____

enclosure: (any documentation)

cc: file

UCC BACKGROUND

THE UCC IS A MINISTERIAL AGENCY operating within the Corporation Division (*in Oregon*), under the auspices of the Secretary of State. Its purpose is to Record, Retain, and Retrieve information concerning Uniform Commercial Code (UCC) filings. It exists to reduce the risk of creditors by establishing a security interest incurred by a debtor, so that priority of claim may be proved in case of bankruptcy or default; and by providing information on financing statements and liens to interested parties.

The UCC program covers secured transactions on personal, or "moveable" property. We call it a "lien," but it is really just a record of a secured obligation. It may also be referred to as a security agreement or a financing statement, depending on the situation. Much like a mortgage is a lien filing with the county on real property, a state UCC filing is a security filing on personal property not affixed to the land or covered by title laws. In other words, if you sell a piece of farm equipment like a plow on credit, you have a security interest in that property. One way to make sure you get the money that's owed to you should the farmer sell out or go bankrupt is to file a UCC form with the plow as collateral. This "perfects" the security interest and puts you in line with other creditors of the farmer. UCC's are effective for five years and can be renewed indefinitely. The Secretary of State, Corporation Division also files federal and state tax liens and Employment Division Warrants.

Excerpt from the Uniform Commercial Code:

The Uniform Commercial Code adopts the "notice filing" approach, under which an abbreviated notice is filed with the appropriate filing officer evidencing that a debtor and secured party intend to engage in a secured transaction using specified collateral as security. The actual security agreement may even be executed later. The Code became effective at midnight on June 30, 1966, and applies to transactions entered into and events occurring after that date.

In plain language, the UCC allows a creditor to notify other creditors about a debtor's assets used as collateral for a secured transaction by filing a public notice (financing statement) with a particular filing office. A financing statement covering collateral used

primarily as consumer goods or real estate related are filed with the county clerk in the county of the debtor's residence or in the case of real estate related collateral where the real estate is located. All other financing statements are filed in the Office of the Secretary of State. In most cases, financing statements are filed at the close of a secured transaction. However, it is advisable to file financing statements and perform a search on the debtor to discover existing filings by other creditors before the loan closing.

The states, not the Federal government, are the primary source of law on commercial transactions in the U.S. In all 50 states and the District of Columbia at least some of that commercial law is based on the UCC. A joint project of the American Law Institute and the National Conference of Commissioners on Uniform State Laws, the first version of the UCC was a "1952 Official Text." While one of several versions of the UCC has now been adopted, at least in part, by each of the states, not all states have adopted the most recent version and many states have amended some of the "uniform" provisions. As a consequence, the provisions of the UCC appearing here are not, in fact, the uniform law of the U.S. The version appearing here is the most recent. Most of its provisions are in effect in most of the states.

UCC DOCUMENT STANDARDS

The following UCC document standards are crucial to timely processing of your transaction. Failure in even one aspect may lead to delays or even rejection of your document. Please take the time to acquaint yourself with the format requirements.

When submissions do not meet these requirements, they cannot be scanned directly and additional handling, such as making photocopies that can be read by the scanner, must take place. Failure to use black ink often makes filing impossible.

Please use current forms. It is the best way to ensure your documents meet the filing standards. You may call the UCC Division of the State in which you are filing to order forms by fax or mail, or you may be able to download them from the State's Website.

DO's:

- Use only black ink.
- Use type that is 10 points or larger. Palatino, New York, Times New Roman, Courier, Ariel and Helvetica are examples of acceptable fonts.
- Submit only single-sided forms.
- Type or print legibly (documents are scanned and data entry is from a computer image of your original document).
- Use only white paper for all filings.
- When submitting multiple filings for the same debtor with the same secured party, include your own reference or identifying number (eight character limit) in the "Return Acknowledgment Letter To:" section of the document. Otherwise, the acknowledgments will appear identical.

Return Acknowledgment Letter To:	Return Acknowledgment Letter To:
John Doe #1 1234 Cherry Ave City, State ZIP	John Doe #ABC96 1234 Cherry Ave City, State ZIP

DON'Ts:

- Don't send duplicates of forms or attachments.
- Don't use the old acknowledgment copies for filing terminations.
- Don't use staples or paper clips.
- Don't use signature pages.
- Don't send return envelopes.
- Don't send checks without identifying documentation.
- Don't use outdated forms. Some states do not accept the National form.
- Don't add bar-coding to the top margin of any form.

MONEY & THE BANKING SYSTEM

“In the United States neither paper currency nor deposits have value as commodities. Intrinsically, a dollar bill is just a piece of paper, deposits merely book entries. Coins do have some intrinsic value as metal, but generally far less than their face value.

“What, then, makes these instruments – checks, paper money, and coins – acceptable at face value in payment of all debts and for other monetary uses? Mainly it is the confidence people have that they will be able to exchange such money for other financial assets and for real goods and services whenever they choose to do so.

“The actual process of money creation takes place primarily in banks.

“In the absence of legal reserve requirements, banks can build up deposits by increasing loans and investments so long as they keep enough currency on hand to redeem whatever amounts the holders of deposits want to convert into currency. This unique attribute of the banking business was discovered many centuries ago.

“It started with goldsmiths. As early bankers, they initially provided safekeeping services, making a profit from vault storage fees for gold coins deposited with them. People would redeem their “deposit receipts” whenever they needed gold or coins to purchase something, and physically take the gold or coins to the seller who, in turn, would deposit them for safekeeping, often with the same banker. Everyone soon found that it was a lot easier simply to use the deposit receipts directly as a means of payment. These receipts, which became known as notes, were acceptable as money since whoever held them could go to the banker and exchange them for metallic money.

“Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to the borrowers. In this way, banks began to create money. More notes

could be issued than the gold and coin on hand because only a portion of notes outstanding would be presented for payment at any one time.

"Transaction deposits are the modern counterpart of bank notes. It was a small step from printing notes to making book entries crediting deposits of borrowers, which the borrowers in turn could 'spend' by writing checks, thereby 'printing' their own money."

The preceding text is a direct quote from *"Modern Money Mechanics"* — A Workbook on Bank Reserves and Deposits Expansion. This workbook is published by the Federal Reserve Bank of Chicago. The publication originally was written by Dorothy M. Nichols in May 1961. The June 1992 revision was prepared by Anne Marie L. Gonczy.

You may obtain copies of the workbook, free of charge, by mailing your request to:

Public Information Center
Federal Reserve Bank of Chicago
P.O. Box 834
Chicago, IL 60690-0834

You may also request the workbook by calling (312) 322-5111.

THE BANKING SYSTEM

In the United States, national banks are federally chartered, privately operated institutions of the BANKING SYSTEM and are regulated by the FEDERAL RESERVE SYSTEM. They were originally authorized (1863-64) by Congress to help finance the Civil War through the sale of bond issues and to produce a more stable national currency by issuing paper notes redeemable by adequate reserves of specie. The financial panics of 1893 and 1907 led to the integration of national banks into the Federal Reserve System in 1913 and the replacement of their banknotes with Federal Reserve notes by 1935.

CENTRAL BANKS, which are the national banks of many other countries, function in much the same way as the U.S. Federal Reserve. The First and Second BANKS OF THE UNITED STATES (1791-1811, 1816-36) were early attempts to establish a central bank that would stabilize the currency and assure sufficient credit for business and government borrowing. Both failed, primarily, because of doubts about their constitutionality

COMMERCIAL TRANSACTION

DISCUSSION AND HISTORY

Despite variations of detail, all commercial transactions have one thing in common: they serve to transmit economic values from those who want to exchange them for another value to those who need them and are willing to pay a counter value. It is the purpose of the relevant legal rules to regulate this exchange of values, to spell out the rights and obligations of each party, and to offer remedies if one of the parties breaches its obligations or cannot perform them for some reason.

Many countries have established a technical concept of commercial transactions with precise definitions and important legal consequences. This is most often the case in the civil-law countries. In these countries the term commercial transactions thus has more than a merely descriptive function. It designates in part those rules that are peculiar to commercial transactions. In France, for example, bankruptcy is open only to individuals who are merchants and to business organizations, and there are special rules applying to commercial cases. In Germany, similarly, the general rules on consumer sales are in part superseded by special rules on commercial sales. A commercial transaction thus results in a number of specific legal consequences that differ from those of ordinary consumer transactions. Such a special commercial regime exists usually because it is thought that the ordinary citizen should not be exposed to the rigors of commercial rules that presuppose a knowledgeable, versatile individual who does not need as much protection against the legal risks and consequences of his dealings.

In those countries in which specific legal consequences attach to commercial transactions, it is necessary to develop a precise definition of what constitutes a commercial transaction. Although such definitions are more or less closely related, they are peculiar to each individual country. The majority of them, found generally at the beginning of a special "commercial code," combine two elements: definitions of a "merchant" and of a

"commercial transaction." In certain countries — Germany, for example — the emphasis is on the definition of the merchant; in others, such as France, the emphasis is on that of the commercial transaction (*acte de commerce*). This latter criterion, the so-called objective test, was adopted in the 19th century for ideological reasons, the French wanting to avoid any repetition of the pre-Revolutionary differentiation of legal rules according to the social condition of persons.

HISTORICAL DEVELOPMENT

Only a few traces of rules on commercial transactions in antiquity have survived. The most notable is a rule developed by the seafaring Phoenicians and named after the island of Rhodes in the eastern Mediterranean. The "Rhodian Law" provided that losses incurred by a sea captain as a result of trying to save ship and cargo from peril must be shared proportionately by all owners of cargo and by the ship owner. If, for example, one merchant's cargo was thrown overboard in order to save the ship from sinking, the loss would be shared among the ship owner and all the other merchants with cargoes aboard. This rule applied in the entire Mediterranean and is today known in the maritime law of all nations as general average.

Another important rule, also of maritime character, arose in connection with the maritime loan that developed in Athens. A capitalist would lend money for a marine trading expedition. The loan would be secured by ship and cargo, but repayment of the capital and payment of interest were conditional on the ship's safe return. The interest rate of 24-36 percent, considerably beyond normal rates, reflected the highly speculative risks involved. This transaction later developed into marine insurance.

Much more is known of the commercial law of the Romans. It was in Rome that for the first time a separation developed between the ordinary civil law and special rules for foreign (that is, primarily trade) relations. Since the civil law applied only to Roman citizens, trade and other relations with and among non-citizens were subject to a separate set of rules — the *jus gentium*, or law of nations. The latter exhibited two traits that have become characteristic of the law of commercial transactions: it was more liberal than the strict rules of the civil law, and it was applied uniformly in various parts of the world.

As far as specific rules are concerned, the Romans received and preserved the two

institutions of the general average and the maritime loan that had been developed earlier. They added two other rules of maritime law: the liability of the ship owner for contracts concluded by the ship's master (an early recognition of an agency relationship that was later generalized) and the liability of the ship's master for damage to or loss of the passengers' luggage and equipment. Innkeepers were charged with the same liability. Banking transactions and bookkeeping were well developed, and some prohibitory rules were enacted against capitalist excesses. Thus, the legal interest rate was lowered. In the postclassical period an attempt at achieving a "just price" was made by introducing a rule that a sale could be annulled by the seller if the price paid to him was less than 50 percent of the value of the goods sold.

In the Middle Ages the Christian Church attempted to enforce certain moral commands adverse to commercial transactions. The taking of interest for loans of money was considered income without true work and, therefore, sinful and prohibited. There was also an attempt to generalize the idea of a just price. Although both rules, and especially the former, influenced the law and the economy for centuries, neither of them finally prevailed in the secular world.

Another feature of the medieval period was the development of a separate commercial law — the law merchant. Like the *jus gentium* of early Roman days, the law merchant was different from the existing ordinary rules that varied from place to place. The need for certainty and uniformity in the provisions governing trade motivated the growth of one set of rules for commercial transactions, valid everywhere in Europe. These rules were disseminated and applied in special courts conducted at the numerous international fairs held in various countries of Europe and attended by local and foreign merchants. The main sources of the law merchant were the customs of the most developed commercial communities of the time — the northern Italian cities. Later, in the 13th and 14th centuries, Italian, French, and Spanish cities made the first attempts at codifying certain branches of commercial law.

The medieval period saw the development of company and banking law. The *compagnia* and the *comenda*, forerunners of the partnership and limited partnership, were in frequent use. The Italians created a sophisticated system of bills of exchange used partly for the transfer and exchange of money, partly (by means of endorsement) for payment, and

partly (by discounting) for credit purposes. They also invented bankruptcy as a method for dealing equally with an insolvent merchant's creditors.

In the period following the medieval era, but before the French Revolution, the law of commercial transactions lost its universal character. The birth of pronouncedly national states in Europe provoked a "nationalization" of the law. In 1673 and 1681 the French king Louis XIV enacted ordinances on land and maritime commerce. These were precursors of the French Commercial Code of 1807, which set the pattern for national codification of the law of commercial transactions in the Latin countries of Europe and America. In England the chief justice Lord Mansfield began from about 1756 to blend the law merchant into the common law. Only maritime law, although nationally codified, preserved some of its universal traits.

Of great consequence for the later development of commercial law was the foundation of colonial companies, usually through royal charter, for the exploitation and administration of the colonies of the European countries. The first, the Dutch East India Company, was chartered in 1602. Only such companies were able to attract the immense amounts of capital that were needed. The liability of each member was limited to his contribution, which was represented by share certificates that were transferable. Limited liability of shareholders and negotiability of shares were in fact fundamental to the operation of these companies. They were adopted and refined later into the most important vehicle of modern capitalism — the corporation.

CONTRACTUAL RELATIONS

The first response to the multitude of practically identical transactions was the standardization of contracts. Printed standard contracts or forms lay down those provisions that are essential in the eyes of the drafting party. It depends upon the relative economic strength of the other party whether departures from the printed form can be negotiated. Trade associations as well as individual enterprises have developed and elaborated forms and standard contracts for their members.

The same technique of standardization has been adopted for international transactions. The forms and standard contracts of certain well-known trade associations, especially British ones, such as the London Corn Trade Association, are used by exporters and importers in many countries. The same is true of many shipping transactions. Even

international bodies, such as the United Nations Economic Commission for Europe, have elaborated printed forms for certain international contracts. Apart from standardizing the contract practices of a particular party, these uniform conditions also help to bridge the gap between the many different national rules. They are a means of achieving partial uniformity of law for international trade.

The development of uniform legislative rules for international transactions has been another distinctive feature in the 20th century. This trend resulted from the uncertainties to which international commercial transactions that came under two or more national jurisdictions were exposed. International conventions have resulted in the unification of numerous rules, especially in the areas of transportation, industrial property (patents and trademarks), copyright, and commercial paper (bills of exchange and checks). Less successful so far have been attempts in the fields of sale of goods and the conclusion of contracts.

Despite considerable progress in the field of unification, none of the uniform rules is really worldwide in scope, many being limited to a continent or to narrower regional groups such as the countries of the European Economic Community or the Southern African Development Coordination Conference.

NEGOTIABLE INSTRUMENTS

The negotiable instrument, which is essentially a document embodying a right to the payment of money and which may be transferred from person to person, developed historically from efforts to make credit instruments transferable; that is, documents proving that somebody was in their debt were used by creditors to meet their own liabilities. Thus a promise of A to pay B a certain sum at a specified date in the future could be used by B to pay a debt to C. This "negotiability of credit" was facilitated by the development of a variety of negotiable instruments including promissory notes, checks, and drafts (bills of exchange). These are in fact the most common negotiable instruments in use, and the following discussion will be confined to them.

Negotiable instruments are used for purposes of payment or credit and as security.

The most common and most complex form of negotiable instrument is the draft, or bill of exchange. It has been defined in England as an unconditional order in writing

addressed by one person to another, signed by the person giving it (the drawer), and requiring the person to whom it is addressed (the drawee) to pay on demand or at a fixed or determinable future time a certain sum of money to, or to the order of, a specified person (the payee) or to the bearer. In the United States the definition is the same, except that an instrument may only be made payable "to order or to bearer." If the drawee assents to the order and accepts the bill, which is done by signing his name, or his name with the word "accepted," across the face of the paper, he is called an acceptor. The person to whom a bill is transferred by endorsement is called the endorsee. Any person in possession of a bill, whether as payee, endorsee, or bearer, is termed a holder and, if he is a bona fide purchaser, a holder in due course.

The basic rule applying to drafts is that any signature appearing on a draft obligates the signer to pay the amount drawn. It is the characteristic feature of a draft that it is not limited to the three-cornered relationship among drawer, drawee, and the named or unnamed creditor. Rather, the creditor may transfer it (for purposes of payment or borrowing) to a fourth party, and the latter may transfer it to a fifth, and so on, in a long chain. The means of accomplishing a transfer from one creditor to another is by endorsement or delivery. If an instrument is payable "to order," the signature (endorsement) of the transferor is required. The draft is then delivered to the new creditor. If the instrument is payable "to bearer," delivery alone suffices. Endorsement transfers the rights of the endorser to the new holder and also creates a liability of the endorser for payment of the amount of the draft if the drawee does not meet payment when the draft becomes due.

A failure to pay a draft must be more or less formally ascertained (in continental Europe through a formal "certificate of dishonour"). Upon due notice of dishonour, the holder of the draft may claim payment from any endorser whose signature appears on the instrument, and he in turn may claim from prior endorsers, from the drawee, and from the drawer.

The necessity of unifying the legal rules relating to negotiable instruments used in international trade has long been felt, and considerable success in this direction has been achieved. The principal rules in English law are laid down in the Bills of Exchange Act of 1882. This act spread through the whole Commonwealth and also influenced the United States Negotiable Instruments Act proposed in 1896 and eventually adopted throughout the

United States. This latter act has since been replaced by article 3 of the Uniform Commercial Code. On the Continent uniformity between the French and the German approach was first achieved at two conferences held at The Hague in 1910 and 1912 and finally by two Geneva conventions of 1930 and 1931 on uniform laws for drafts, promissory notes, and checks. These latter agreements included some uniform provisions on conflicts of law. These have been adopted by most European countries and by many states in other parts of the world. Neither England nor the United States accepted these conventions, however, partly for fear of upsetting the uniformity already achieved in the Anglo-American orbit.

Whereas negotiable instruments embody a claim for the payment of money, documents of title embody claims to goods. One of the most common such documents is the warehouse receipt.

The warehouse receipt is a document that shares the essential traits of a bill of lading, except that the duty to transport the goods is replaced by an obligation to store them. This receipt also embodies the claim for delivery of the goods and may, therefore, if made out to order, be transferred by endorsement and delivery. According to the intention of the parties, such a transfer may pass ownership in the stored goods or create other rights, such as a security interest, in them.

NON-NEGOTIABLE INSTRUMENTS

In order to make paper negotiable, it is essential that it be payable in money only, at all events, and not out of a particular fund. To render a bill or note negotiable, it must be payable to order, or to bearer. When negotiable paper is payable "to A B only," it cannot be negotiated so as to give the indorsee a claim against any one but his indorser. The term "negotiable" is applied to bills of exchange and promissory notes, which are assignable by indorsement and finally, the act by which a bill of exchange or promissory note is put into circulation by being passed by one of the original parties to another person.

It is important to remember that the prefix "non" represents a negation or absence of the meaning of the word that it precedes. So, a bill of exchange (*draft*) is non-negotiable if it does not pay money, or is not being circulated and cannot be assigned by indorsement.

Instructions for Handling Commercial Presentments

Important note: The following procedure has been derived from the study of material and procedure from the UCC and numerous reliable sources. It is intended to conform to the three-day/72-hour grace period for the settlement of retail accounts provided for in Regulation Z, i.e. the Federal Truth in Lending Act.

The issuer of a commercial presentment (*traffic cop, collection agent, IRS agent, etc.*) is legally the creator of the "funds" via his/her "promissory note" in the amount demanded and is, in fact, the Borrower. The Borrower/Presenter is presenting an offer of debt for you to embrace and repay. People generally dishonor such offers of debt because they do not understand that the financial world runs in a mirror image of logic and common sense. They also do not understand that the mirror image, all-capital letters name straw man "offender/Violator/debtor" named in the presentment is an artificial person wholly different than the man/woman reading the presentment. The presentment is a "bill" for someone who does not understand the Redemption Process, and an "asset" for one who does. The presentment (*factually an offer of debt*) is the Presenter's written promise to pay i.e. a promissory note and therefore a negotiable instrument.

When you accept for value, non-negotiable, the presentment, you become the holder in due course of the instrument as soon as the 72-hour Regulation Z grace period has lapsed. The instrument is then no longer negotiable. Prior to Redemption the US Government is the Lender because it holds the unrebutted-yet rebuttable-claim against your straw man. After Redemption you hold the supreme-and unbeatable claim against your straw man, and are the holder in due course of any such future presentments/negotiable instruments. You also become the Lender/Creditor in relation to any Presenter/Borrower. As Creditor, any charges incurred by your straw man now accrue to your benefit rather than the benefit of the US Government and its creditors.

Per the Federal Truth in Lending Act, any Borrower has three days to back out of a deal; which period commences at midnight of the day after the Borrower is informed that his offer, has been accepted for value. Therefore, upon the Presenter's receipt of your notice of acceptance for value of his/her offer/presentment, he/she has 72 hours from midnight of the following day to either; (1) produce a superior claim, OR (2) officially withdraw the presentment/offer, terminate the deal/loan, and adjust/clear the account to zero. Some will withdraw their offer. Most will fail to "withdraw", but will also continue to insist that you "repay" the funds/loan that the Presenter created/borrowed. Although the Presenter is likely personally unaware of it, his/her actions are predicated solely on the presumption that you do not have a claim upon which relief can be granted with regard to the property of the "person" (*strawman*) named in the presentment.

When you have timely accepted a presentment for value, the claim you have is called a "compulsory counterclaim" (*see conditional acceptance, claim, counterclaim, and compulsory counterclaim in Glossary.*) The following is a description of suggested procedure to affix rightful financial responsibility to the Presenter for the created/borrowed funds, instead of yourself.

I. GENERAL.

A. Upon receipt of any Commercial Presentment, e.g. traffic citation, subpoena, civil suit, IRS demand for payment, warrant, etc., you have ten (10) days to either accept or rebut the Presentment. If you fail to do at least one of the two within the 10-day period you will have dishonored the Presentment and become liable for the debt therein-created. The Presenter's liability will have passed to you by default. By following the procedure outlined below it is possible to avoid such liability.

II. PROCEDURE.

A. With regard to handling a presentment, take the following steps as soon as possible, but in any event no later than ten (10) days after receiving the Presentment:

1. Make several copies of the Instrument and, afterwards, put the original(s) in a safe place where it/they will not be damaged or defaced in any way.

You may also want to make copies of any accompanying envelope to record the postmark for the following reason: the people who control government agencies understand Commercial Law and will many times have a presentment printed out and then hold it for a week or so before mailing. If you go by the date appearing on the instrument/letter/bill/presentment you may sometimes have only one or two days to respond timely. However, if you also accept for value the envelope in which the presentment came—exactly as you would the presentment itself—you can verify your date of receipt as no sooner than the day after it was mailed/postmarked and accord yourself the maximum amount of time to respond.

2. Apply the "NON-NEGOTIABLE, _____ accepts for value . . ." stamp to one of the copies, and then type or print your *true name* on the empty line, i.e. initial letters only capitalized. Underneath the stamp, write out the date in longhand and then sign your normal signature under that—both in blue ink. You become the holder in due course of the instrument as soon as (a) the Presenter receives his copy of your acceptance, and (b) the three-day time period prescribed in the Federal Truth in Lending Act passes without the Presenter officially withdrawing his/her offer. Make several copies of the stamped copy of your acceptance for value that is dated and signed in blue ink.

3. In addition to the Presenter, identify/discover the name and address of the

a) top executive (CEO, President, Administrator, etc.), and

b) top attorney (General Counsel), i.e. the Fiduciary/Surety,

of the Presenter's organization (a corporation). The Presenter will be receiving the original copy of the package described below, and the other two will be receiving a copy of the package that is sent to the Presenter, thereby involving them as interested parties should you subsequently be damaged in any way.

B. Send an original package to the Presenter, and a copy of the original package to the top executive and the top attorney of the Presenter's, organization, by Certified (or Registered) Mail, Return Receipt Requested, containing the following items:

1. A fair (*unblemished*) photocopy of the presentment;
2. A stamped copy of the presentment, accepted for value non-negotiable, and dated and signed in blue ink.
3. A copy of your UCC-1 Financing Statement.
4. A photocopy of a signed Non-Negotiable Bill of Exchange to the Secretary of the Treasury:
 - a.) Naming the Presenter as the Collateral and the Presenter's all-capital letters STRAW-MAN name as the Debtor:
 - b) In a monetary amount substantially higher than the Presentment, but not less than \$10,000.00, e.g. \$10,025.00 for a \$25.00 parking ticket; and
 - c) Postdated ten (10) days after the date of this mailing and stamped "COPY" (*so the Presenter will not confuse this with the original*).
5. Copy of internal Revenue Service Form W-9, "Request for Taxpayer Identification Number and Certification" (*best if you can acquire original Forms W-9 from the IRS*).
6. A cover letter in the form of a Non-Negotiable Actual and Constructive Notice (*an actual and Constructive Notice cannot be legally disregarded, whereas a simple letter can*) informing Presenter that his/her presentment has been accepted for value non-negotiable with a monetary value assigned thereto of \$10,025.00 (*or higher amount*), and that Presenter must either (1) produce a superior claim, OR (2) officially withdraw, the presentment/offer, terminate the deal/loan, adjust/clear the account to zero; and officially notify you of the option selected within the three-day, Federal Truth in Lending Act period for settlement of retail accounts and, that should Presenter disagree and fail to execute either option (1) or (2) above within the three-day federal grace period:
 - a) Both Presentment and enclosed Bill of Exchange will, on or before the date appearing on the Bill of Exchange, be registered as your property in the Commercial Registry in a UCC-3 Change Statement, with all proceeds, products, accounts, and fixtures, and the Orders therefrom, released to your Debtor strawman.
 - b) You will submit the accounting and execute a Partial Release of the above-referenced Bill of Exchange in the same UCC-3 Change Statement, releasing the Bill of Exchange to your Debtor strawman, and mail the Bill of Exchange to the Secretary of the Treasury on the date listed thereon.

- c) **Presenter must complete and return the enclosed Internal Revenue Service Form W-9, "Request for Taxpayer Identification Number and Certification," as Presenter will then be liable for the income tax due on the \$10,025.00 (or higher figure) received in the Bill of Exchange.**
- d) **You will immediately file with the IRS an Internal Revenue Service Form 8300 "Report of Cash Payments Over \$10,000 Received in a Trade or Business" naming Presenter as the subject of a "Suspicious transaction" (tax fugitive) in the amount decided upon in ¶ "4. b)" above and report that Presenter refused to provide his/her Social Security Account Number when requested, if Presenter has so-refused.**
- e) **That should you subsequently receive notification/evidence in any hard-copy form that the account has not been adjusted to zero you will immediately thereafter follow essentially this same procedure re the new presentment, accepting for value non-negotiable the new presentment, and execute another Bill of Exchange to the Secretary of the Treasury against any or all of**
 - **Presenter,**
 - **CEO, or**
 - **Fiduciary/Surety**

in a greater amount by Orders of Magnitude; i.e. ten (10) times greater than the original, or \$100,250.00 in this case, and that the Collateral (biological man or woman) named on any such Bill of Exchange will have filed in their name an Internal Revenue Service Form 8300 marked "Suspicious transaction" as having received income in that amount.

- f) **Inform the CEO and Fiduciary/Surety of Presenter's organization that, subsequent to the mailing of the above-referenced Bill of Exchange, any unfounded action by Presenter or Presenter's organization against the person or property of you or your straw man:**
 - **necessarily devolves equally upon whichever person is responsible for any such unauthorized action, as well the Fiduciary/Surety of Presenter's organization, and constitutes criminal trespass, authorizing you to formally request a copy of Fiduciary Tax Estimate and Fiduciary Tax Return to discover exactly who is delinquent or making other claims and damaging your credit, a federal criminal securities violation, "slander of credit"; and**
 - **shall constitute admission and confession by Presenter and CEO and Fiduciary/Surety of Presenter's organization that such are granting you express consent to undertake additional commercial and legal remedies such as:**

- Executing on behalf of Presenter a True Bill in Commerce in which presenter and CEO and Fiduciary/Surety of Presenter's organization freely admit to willful commission of any such unfounded offenses and are correspondingly indebted to you in a monetary amount to be determined solely by you. Thereby duly authorizing you to sign presenter's name, CEO's name, and Fiduciary/Surety's name to said True Bill in Commerce by accommodation (UCC § 3-419).
 - Executing a Commercial Lien against Presenter and Fiduciary/Surety of Presenter's organization in an amount to be decided solely by you, sign Presenter's name, or name of Fiduciary/Surety of Presenter's organization as on any such lien by accommodation on assign monetary value amount decided exclusively by you, secure real and personal property of Presenter and Fiduciary/Surety of Presenter's organization as collateral for said lien, and file said lien in the Commercial Registry and the office of the County Recorder;
 - Procuring a Writ of Execution for collection on the above referenced lien; and
 - Instituting civil or criminal action against Presenter, CEO, or Fiduciary/Surety in any court of competent jurisdiction elected by you, including but not limited to federal court, re-offenses enumerated herein above and various others.
- C. Make two extra copies of Presenter's package before sealing the envelope.
- D. Send all correspondence via Certified Mail, of Registered Mail (*depending on your preference with regard to the Presenter or the Presenter's organization*), Return Receipt Requested. You then have Proof of mailing and know when each package was received, so as to adjudge when the Regulation Z, 72-hour grace period has lapsed.
- E. Re the registration of the presentment and Bill of Exchange, follow the example in the attached UCC-3 Change Statement, showing both the "Amendment" and "Partial Release" on the same form.

III. UCC-3 CHANGE STATEMENT: AMENDMENT & PARTIAL RELEASE.

- A. Please re-read the official (*Washington*) UCC-3 Instructions if you have any doubts.
- B. Under Line/Box "7". Check both "4. AMENDMENT" and "5. PARTIAL RELEASE". Follow the example on the sample UCC-3 filing following these instructions. The text for the amendment and Partial Release is "boilerplate" i.e. unvarying language except for the identifying descriptions and numbers associated with the particular presentment.
- C. Sign the signatures on this UCC-3 Change Statement as described in the UCC-3 instructions.

IV. SECRETARY OF THE TREASURY DOCUMENTS.

A. The only times you will need to send documents to the Secretary of the Treasury concurrently with a UCC-3 filing are when you have, subsequent to your UCC-1 filing:

1. Accepted for value the birth certificate of your spouse or minor child, valued at \$1-million apiece (Note: the husband may claim the wife's straw man, but the wife cannot claim the husband's); or
2. Accepted for value non-negotiable a Presentment (a traffic ticket, IRS demand for payment, etc.) and you need to do a Bill of Exchange to discharge the public liability associated with the funds created by the Presentment.

B. If you have accepted for value non-negotiable either type of negotiable instrument listed above, you will need to send to the Secretary of the Treasury, simultaneously with your UCC-3 filing, another:

1. ACTUAL AND CONSTRUCTIVE NOTICE; and
2. NON-NEGOTIABLE BILL OF EXCHANGE.

Each is signed in your normal signature, without your SS# or Employer Identification # as part of the signature.

C. The six (6) different numbers referenced in your Treasury documents are the same as those from your initial mailing, except for the Invoice number. The Invoice number will change with each mailing. Again, an easy system for the numbering of invoices is: "[Your Initials]-[Date]-[Registered Mail # used for the particular mailing]."

D. As before, every attachment to the ACTUAL AND CONSTRUCTIVE NOTICE and NON-NEGOTIABLE BILL OF EXCHANGE is stamped with the large stamp indicated in the Manual. Fill in the blank spaces with your name (printed by hand or typed—initial letters capitalized only), and all appropriate numbers. Underneath the stamp, write out the date in longhand and then underneath that sign your normal signature—all in blue ink.

E. Make a copy (or copies) of your completed package before sealing the envelope.

F. Staple all documents together as before: ACTUAL AND CONSTRUCTIVE NOTICE (the Invoice) on top, followed by NON-NEGOTIABLE BILL OF EXCHANGE, and then the attachments.

G. Send every piece of correspondence to the Secretary of the Treasury by Registered Mail (recommended), Return Receipt Requested. If sending by Registered Mail, make out your Registered Mail receipt according to the instructions on the sample Registered Mail receipt in the Manual.